COMPANY ANNOUNCEMENT

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2025

The Board of Directors of Advance Synergy Berhad wishes to announce the unaudited financial results of the Group for the quarter and period ended 31 March 2025.

This interim report is prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 "Interim Financial Reporting" and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2024.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended		Year-to-date 3 months ended	
	31.03.2025 RM'000	31.03.2024 RM'000	31.03.2025 RM'000	31.03.2024 RM'000
Revenue	64,095	67,199	64,095	67,199
Cost of sales	(49,571)	(54,614)	(49,571)	(54,614)
Gross profit	14,524	12,585	14,524	12,585
Other operating income	637	3,155	637	3,155
Operating expenses	(21,063)	(21,737)	(21,063)	(21,737)
Profit/(Loss) from operations	(5,902)	(5,997)	(5,902)	(5,997)
Finance income	176	747	176	747
Finance costs	(1,914)	(2,780)	(1,914)	(2,780)
Share of results of associates and joint venture	7	11	7	11
Profit/(Loss) before tax	(7,633)	(8,019)	(7,633)	(8,019)
Income tax (expense)/credit	(589)	29	(589)	29
Net profit/(loss) for the financial period	(8,222)	(7,990)	(8,222)	(7,990)
Attributable to:				
Owners of the parent	(7,320)	(7,890)	(7,320)	(7,890)
Non-controlling interests	(902)	(100)	(902)	(100)
	(8,222)	(7,990)	(8,222)	(7,990)
Profit/(Loss) per share attributable to owners of the parent:				
Basic (sen)	(0.29)	(0.31)	(0.29)	(0.31)
Diluted (sen)	(0.29)	(0.31)	(0.29)	(0.31)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		Year-to-date 3 months ended	
	31.03.2025 RM'000	31.03.2024 RM'000	31.03.2025 RM'000	31.03.2024 RM'000
Net profit/(loss) for the financial period	(8,222)	(7,990)	(8,222)	(7,990)
Other comprehensive income/(expenses):				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	4,805	258	4,805	258
Total items that may be reclassified subsequently to profit or loss	4,805	258	4,805	258
Items that will not be reclassified subsequently to profit or loss:				
Fair value gain/(loss) on equity instruments designated at fair value through other comprehensive income	(884)	161	(884)	161
Total items that will not be reclassified subsequently to profit or loss	(884)	161	(884)	161
Other comprehensive income/(loss) for the financial period	3,921	419	3,921	419
Total comprehensive income/(loss) for the financial period	(4,301)	(7,571)	(4,301)	(7,571)
Attributable to:				
Owners of the parent	(3,675)	(7,449)	(3,675)	(7,449)
Non-controlling interests	(626)	(122)	(626)	(122)
Total comprehensive income/(loss) for the financial period	(4,301)	(7,571)	(4,301)	(7,571)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 31.03.2025 RM'000	Audited as at 31.12.2024 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	196,501	195,558
Right-of-use assets	35,747	36,270
Investment properties	14,500	14,500
Investment in associates and joint venture	3,553	3,546
Investment securities	43,141	43,676
Goodwill	24,157	24,157
Intangible assets	8,982	8,779
Receivables	6,820	-
Deferred tax assets	2,592	2,573
Inventories	4,704	4,701
	340,697	333,760
Current assets		
Inventories	61,279	63,444
Receivables, prepayments and contract assets	89,374	94,413
Current tax assets	1,891	1,590
Investment securities	2,376	2,501
Financial assets held for trading	29	25
Fixed deposits	33,607	33,517
Cash and bank balances	54,575	65,356
	243,131	260,846
TOTAL ASSETS	583,828	594,606
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	461,377	461,377
Reserves	(110,385)	(106,710)
	350,992	354,667
Non-controlling interests	52,222	52,848
Total equity	403,214	407,515
Non-current liabilities		
Borrowings	74,273	74,952
Lease liabilities	16,162	16,711
Payables	5,160	5,412
Deferred tax liabilities	3,773	3,660
	99,368	100,735
Current liabilities		
Payables and contract liabilities	59,812	63,666
Borrowings	18,661	19,679
Lease liabilities	2,681	2,951
Current tax liabilities	92	60
	81,246	86,356
Total Liabilities	180,614	187,091
TOTAL EQUITY AND LIABILITIES	583,828	594,606

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2025

	Share Capital RM'000	Revaluation Reserve RM'000	Foreign Currency Translation Reserve RM'000	Fair Value Reserve RM'000	Accumulated Losses RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Balance as at 1 January 2025	461,377	16,325	3,202	(2,240)	(123,997)	354,667	52,848	407,515
Net loss for the financial period	-	-	-	-	(7,320)	(7,320)	(902)	(8,222)
Fair value of equity instruments through other comprehensive income	-	-	-	(884)	-	(884)	-	(884)
Crystalisation of revaluation reserve	-	(46)	-	-	46	-	-	-
Exchange differences on translation of foreign operations	-	-	4,529	-	-	4,529	276	4,805
Total comprehensive loss for the financial period	-	(46)	4,529	(884)	(7,274)	(3,675)	(626)	(4,301)
Balance as at 31 March 2025	461,377	16,279	7,731	(3,124)	(131,271)	350,992	52,222	403,214

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2025 (Continued)

	Share Capital RM'000	Revaluation Reserve RM'000	Foreign Currency Translation Reserve RM'000	Fair Value Reserve RM'000	Accumulated Losses RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Balance as at 1 January 2024	461,377	16,413	7,895	(954)	(64,092)	420,639	67,593	488,232
Net loss for the financial period	-	-	-	-	(7,890)	(7,890)	(100)	(7,990)
Fair value of equity instruments through other comprehensive income	-	-	-	161	-	161	-	161
Exchange differences on translation of foreign operations	-	-	280	-	-	280	(22)	258
Total comprehensive income/(loss) for the financial period	-	-	280	161	(7,890)	(7,449)	(122)	(7,571)
Balance as at 31 March 2024	461,377	16,413	8,175	(793)	(71,982)	413,190	67,471	480,661

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2025

	3 months ended 31.03.2025 RM'000	3 months ended 31.03.2024 RM'000
Cash flows from operating activities		
Loss before tax	(7,633)	(8,019)
Adjustments for:-		
Non-cash items	2,199	891
Other investing and financing items	1,726	1,930
Operating loss before working capital changes	(3,708)	(5,198)
Changes in working capital		
Inventories	2,162	(3,917)
Receivables	(1,777)	48,310
Financial assets held for trading	(3)	(23)
Payables	(4,104)	(6,225)
Net cash (used in)/generated from operations	(7,430)	32,947
Net tax paid	(763)	(592)
Net cash (used in)/generated from operating activities	(8,193)	32,355
Cash flows from investing activities		
Addition of intangible assets	(367)	(239)
Interest received	188	823
Dividend received	1	27
Change in deposit placed with licensed bank	(15)	678
Proceeds from disposal of hotel management services	-	200
Purchase of property, plant and equipment	(869)	(3,319)
Placement of pledged deposits	(826)	(7)
Net cash used in investing activities	(1,888)	(1,837)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2025 (Continued)

	3 months ended 31.03.2025 RM'000	3 months ended 31.03.2024 RM'000
Cash flows from financing activities		
Interest paid	(1,914)	(2,780)
Repayment of borrowings	(2,543)	(2,649)
Repayment of lease liabilities	(976)	(1,069)
Net cash used in financing activities	(5,433)	(6,498)
Effect of exchange rate changes	3,025	(596)
Net (decrease)/increase in cash and cash equivalents	(12,489)	23,424
Cash and cash equivalents as at beginning of the financial period		
As previously reported	74,246	88,084
Effect of exchange rate changes	677	145
As restated	74,923	88,229
Cash and cash equivalents as at end of the financial period #	62,434	111,653
# Cash and cash equivalents at the end of the financial period comprising the following:		
Fixed deposits	33,607	69,188
Cash and bank balances	54,575	67,976
Bank overdrafts	(280)	-
	87,902	137,164
Less: Deposit with maturity more than three months	(556)	(2,503)
Deposits pledged to licensed banks	(24,912)	(23,008)
	(25,468)	(25,511)
	62,434	111,653

NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of preparation

The unaudited interim financial report has been prepared in compliance with MFRS 134 – "Interim Financial Reporting" and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The unaudited interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2024.

2. Significant accounting policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2024, except for the adoption of the following amendments to Malaysian Financial Reporting Standard ("MFRS"):

Amendments to MFRSs	
MFRS 121	The Effects of Changes in Foreign Exchange Rates

The adoption of the above amendments to MFRSs will have no significant impact on the financial statements of the Group upon their initial application.

New MFRSs and amendments to MFRSs that have been issued, but yet to be effective

		Effective for financial periods beginning on or after
New MFRSs		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
MFRS 7	Financial Instruments: Disclosures	1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	1 January 2026/ Deferred
MFRS 107	Statement of Cash Flows	1 January 2026
MFRS 128	Investments in Associates and Joint Ventures	Deferred

3. Audit Report

The auditors' report on the financial statements for the financial year ended 31 December 2024 was not subject to any qualification.

4. Seasonal or cyclical factors

The operations of the Group for the financial quarter ended 31 March 2025 were not materially affected by any seasonal or cyclical factors.

5. Unusual items

There were no unusual significant items during the quarter under review.

6. Changes in estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the quarter under review.

7. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and/or repayments of debt and equity securities during the financial period ended 31 March 2025.

As at the quarter ended 31 March 2025, no new ordinary share of the Company was issued to the eligible persons pursuant to the Advance Synergy Share Grant Scheme.

8. Dividends paid

There was no dividend paid during the financial period ended 31 March 2025.

9. Segmental Information

For the financial period ended 31 March 2025

	Investment Holding	Information & Communications Technology	Property Development & Investment	Travel & Tours	Financial Services	Others	Elimina-tions	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue								
External	76	11,855	9,796	34,763	1,848	5,757	-	64,095
Inter-segment	7,846	-	696	14	-	-	(8,556)	-
Total revenue	7,922	11,855	10,492	34,777	1,848	5,757	(8,556)	64,095
Results								
Segment results	4,021	(867)	(3,654)	1,696	(1,610)	(255)	(6,971)	(7,640)
Share of results of associates and joint venture	7	-	-	-	-	-	-	7
Profit/(Loss) before tax	4,028	(867)	(3,654)	1,696	(1,610)	(255)	(6,971)	(7,633)
Income tax expense								(589)
Net profit/(loss) for the financial period								(8,222)
Non-controlling interests								902
Net profit/(loss) for the financial period attributable to owners of the parent								(7,320)

9. Segmental Information (Continued)

For the financial period ended 31 March 2025 (Continued)

	Investment Holding	Information & Communications Technology	Property Development & Investment	Travel & Tours	Financial Services	Others	Elimina-tions	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Other information								
Segment assets	13,893	139,795	340,849	25,247	33,768	22,240	-	575,792
Investment in associates and joint venture	3,484	-	69	-	-	-	-	3,553
Unallocated corporate assets								4,483
Total assets								583,828
Segment liabilities	3,212	11,723	139,901	6,626	6,688	8,598	-	176,748
Unallocated corporate liabilities								3,866
Total liabilities								180,614
Capital expenditure:								
- Property, plant & equipment	1	131	667	5	44	21	-	869
- Software development expenditure	-	243	-	-	124	-	-	367

9. Segmental Information (Continued)

For the financial period ended 31 March 2024

	Investment Holding	Information & Communications Technology	Property Development & Investment	Travel & Tours	Financial Services	Others	Elimina-tions	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue								
External	134	10,580	4,774	41,347	1,161	9,203	-	67,199
Inter-segment	1,510	-	694	28	-	-	(2,232)	-
Total revenue	1,644	10,580	5,468	41,375	1,161	9,203	(2,232)	67,199
Results								
Segment results	(2,655)	(1,342)	(4,555)	2,077	(2,044)	503	(14)	(8,030)
Share of results of associates and joint venture	12	-	(1)	-	-	-	-	11
Profit/(Loss) before tax	(2,643)	(1,342)	(4,556)	2,077	(2,044)	503	(14)	(8,019)
Income tax expense								29
Net profit/(loss) for the financial period								(7,990)
Non-controlling interests								100
Net profit/(loss) for the financial period attributable to owners of the parent								(7,890)

9. Segmental Information (Continued)

For the financial period ended 31 March 2024 (Continued)

	Investment Holding	Information & Communications Technology	Property Development & Investment	Travel & Tours	Financial Services	Others	Elimina-tions	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Other information								
Segment assets	63,326	154,900	426,739	26,814	24,295	23,148	-	719,222
Investment in associates and joint venture	3,842	-	101	-	-	-	-	3,943
Unallocated corporate assets								5,618
Total assets								728,783
Segment liabilities	5,308	13,548	195,089	13,517	7,386	8,631	-	243,479
Unallocated corporate liabilities								4,643
Total liabilities								248,122
Capital expenditure:								
- Property, plant & equipment	14	201	2,911	-	159	34	-	3,319
- Software development expenditure	-	114	-	-	125	-	-	239

10. Property, plant and equipment

The valuation of land and buildings had been brought forward without amendment from the financial statements for the financial year ended 31 December 2024.

11. Significant events after the reporting period

There are no significant events after the reporting period.

12. Changes in the composition of the Group

(a) Ausborn Sawmill Sdn Bhd, a directly wholly owned subsidiary of the Company, was struck off from the register under Section 551(3) of the Companies Act 2016 and henceforth dissolved following the publication of the notice of striking off in the Gazette on 10 March 2025.

(b) Simpang Tiga Realty Sdn Bhd, an indirect 95% owned subsidiary of the Company, was struck off from the register under Section 551(3) of the Companies Act 2016 and henceforth dissolved following the publication of the notice of striking off in the Gazette on 24 March 2025.

Save for the above, there were no changes in the composition of the Group during the financial period ended 31 March 2025.

13. Changes in contingent liabilities

There are no changes in contingent liabilities since the last annual statements of financial position as at 31 December 2024.

14. Review of performance

	Year-to-date 3 months ended 31.03.2025 RM'000	31.03.2024 RM'000	Changes RM'000	%
Revenue	64,095	67,199	(3,104)	(4.6)
Profit/(Loss) from operations	(5,902)	(5,997)	95	1.6
Profit/(Loss) before tax	(7,633)	(8,019)	386	4.8
Net profit/(loss) for the financial period	(8,222)	(7,990)	(232)	(2.9)
Net profit/(loss) for the financial period attributable to the Owners of the Parent	(7,320)	(7,890)	570	7.2

Overall performance

For the current quarter ended 31 March 2025 ("Q1 2025"), the Group recorded lower revenue of RM64.1 million compared to RM67.2 million in the corresponding period last year ended 31 March 2024 ("Q1 2024"), reflecting a decrease of RM3.1 million or 4.6%. All divisions reported higher revenue in Q1 2025 compared to Q1 2024, except for Travel & Tours and Others divisions. The higher revenue recorded by the Investment Holding division was mainly due to higher dividend income from a subsidiary which had no impact on the Group results.

The Group recorded a lower loss before tax of RM7.6 million in Q1 2025 compared to a loss of RM8.0 million in Q1 2024, mainly due to favourable results across all divisions except for Travel & Tours and Others divisions.

Investment Holding

In Q1 2025, the division recorded higher revenue of RM7.9 million compared to RM1.6 million in Q1 2024, primarily due to a dividend income of RM6.8 million received from a subsidiary, partly offset by lower intercompany management fees charged, both of which had no impact on the Group's overall revenue. The division recorded a profit before tax of RM4.0 million compared to a loss before tax of RM2.6 million in Q1 2024 mainly attributable to the dividend income received from a subsidiary, which had no impact on the Group's overall results.

Information & Communications Technology

The division recorded higher revenue of RM11.9 million in Q1 2025 compared to RM10.6 million in Q1 2024, up by approximately 12.3%, mainly attributable to higher revenue from Unifiedcomms and GlobeOSS system sale contract revenues. However, the growth in revenue was partly impacted by the weaker Singapore Dollar to RM exchange rate fluctuations (Q1 2025: S$1:RM3.306, Q1 2024: S$1:RM3.516), which affected the translation of S$ denominated revenue into RM for consolidation purposes.

14. Review of performance (Continued)

Information & Communications Technology (Continued)

The division reported lower loss before tax of RM0.9 million in Q1 2025 compared to loss before tax of RM1.3 million in Q1 2024, mainly due to higher revenue and higher gross profit margin, partly offset by higher net operating expenses. The higher gross profit margin of 56.0% in Q1 2025 compared to 45.7% in Q1 2024 was mainly driven by the higher gross profit margin due to a lower revenue contribution from certain lower-margin managed service contracts.

The higher net operating expenses in Q1 2025 were mainly attributable to increased technical support expenses due to the headcount increase as well as the absence of a fair value gain of RM0.6 million on the venture investment portfolio recorded in Q1 2024.

Property Development & Investment

The division recorded higher revenue of RM10.5 million in Q1 2025 compared to RM5.5 million in Q1 2024 mainly due to higher revenue across all units, with the bulk revenue contributed by the property development unit. With the higher revenue, the division reported lower loss before tax of RM3.7 million in Q1 2025 compared to loss before tax of RM4.6 million in Q1 2024.

<u>Development</u>
The property development unit, Advance Synergy Realty Sdn Bhd (“ASR”), recorded revenue of RM4.8 million in Q1 2025, driven by higher terrace house sales for Federal Park Phase 2 which is now near completion stage and additional shophouse unit sales for Federal Park Phase 1, compared to minimal revenue in Q1 2024. The unit recorded a minimal loss before tax of RM59,000 for Q1 2025 compared to loss before tax of RM0.6 million in Q1 2024 mainly due to the flow-down effect of higher revenue partly offset by overall higher operating expenses.

<u>Investment</u>
The property investment unit recorded higher revenue of RM5.7 million in Q1 2025 compared to revenue of RM5.4 million in Q1 2024 mainly contributed by higher revenue from the hospitality unit and the investment property, Yap Ah Shak House (“YASH”), which currently houses the F&B and serviced office businesses.

Our hospitality unit recorded slightly higher revenue of RM3.7 million in Q1 2025 compared to RM3.6 million in Q1 2024, an increase of approximately 2.7%, mainly driven by higher revenue from The Marloes, our aparthotel in London, which commenced full operation in April 2024. This was partly offset by lower revenue from Holiday Villa Beach Resort & Spa Cherating (“Cherating hotel”) and Holiday Villa Hotel & Residence Jiading P.R.C. (“Shanghai hotel”).

The unit recorded a lower loss before tax of RM2.4 million in Q1 2025 compared to RM3.0 million in Q1 2024, mainly due to lower net operating expenses of Cherating hotel and Shanghai hotel partly offset by the higher net operating expenses of The Marloes, and the absence of the net gain from reversal of impairment loss on trade receivables following successful collections and fair value loss on quoted investments recorded in Q1 2024.

14. Review of performance (Continued)

Property Development & Investment (Continued)

Investment (Continued)

Our investment property, YASH, recorded slightly higher revenue of RM1.2 million in Q1 2025 compared to RM1.1 million in Q1 2024 mainly driven by increased contributions from the serviced office businesses and Alma Dining Sdn Bhd ("Alma Dining"), our newly launched F&B business which commenced operations in November 2024. This was partly offset by lower revenue from the F&B business operated by Osteria Gamberoni Sdn Bhd ("OGSB"). Despite the higher revenue, YASH recorded a higher loss before tax of RM0.9 million in Q1 2025 compared to RM0.7 million in Q1 2024, primarily due to higher net operating expenses as Alma Dining geared up its operations. Other than the hospitality unit and YASH, there were no significant changes in Q1 2025 compared to Q1 2024 from the other properties as most remain on lease within the Group with no significant change in rental income.

Travel & Tours

Our Travel & Tours division recorded lower revenue of RM34.8 million in Q1 2025 compared to RM41.4 million in Q1 2024, reflecting a decrease of approximately RM6.6 million or 15.9%. The flow-down effect of lower revenue was partly mitigated by a higher gross profit margin achieved during the quarter, resulting in a lower profit before tax of RM1.7 million in Q1 2025 compared to RM2.1 million in Q1 2024.

Financial Services

The Financial Services division, comprising the card and payment services and money services units, recorded higher revenue of RM1.8 million in Q1 2025, compared to RM1.2 million in Q1 2024. The increase was mainly driven by contributions from the consumer financing product launched in February 2024 and the trade financing product launched in September 2024, partly offset by a decline in gross processing volume from its merchants.

With higher revenue and lower net operating expenses, partly offset by foreign exchange loss in Q1 2025 resulting from unfavourable US dollar to RM exchange rate fluctuations compared to a foreign exchange gain in Q1 2024, the division recorded a lower loss before tax of RM1.6 million in Q1 2025 compared to a loss of RM2.0 million in Q1 2024.

Others

The Others division recorded lower revenue of RM5.8 million in Q1 2025 compared to RM9.2 million in Q1 2024, mainly due to fewer buses exported by the bus-body fabrication unit, resulting from a delay in chassis supply. As a result of the lower revenue and higher net operating expenses, the bus-body fabrication unit reported a loss before tax of RM0.1 million in Q1 2025 compared to a profit before tax of RM0.6 million in Q1 2024. The education unit recorded lower revenue of RM0.1 million in Q1 2025 compared to RM0.2 million in Q1 2024. With the lower revenue, the unit reported a slightly higher loss before tax of RM0.2 million in Q1 2025 compared to RM0.1 million in Q1 2024.

15. Comparison of results with immediate preceding quarter

	Quarter 3 months ended		Changes	
	31.03.2025	31.12.2024		
	RM'000	RM'000	RM'000	%
Revenue	64,095	82,288	(18,193)	(22.1)
Profit/(Loss) from operations	(5,902)	(28,996)	23,094	79.6
Profit/(Loss) before tax	(7,633)	(30,862)	23,229	75.3
Net profit/(loss) for the financial period	(8,222)	(33,610)	25,388	75.5
Net profit/(loss) for the financial period attributable to the Owners of the Parent	(7,320)	(32,045)	24,725	77.2

Overall performance

The Group recorded lower revenue of RM64.1 million for Q1 2025 compared to the revenue of RM82.3 million in the immediate preceding quarter ended 31 December 2024 (“Q4 2024”), mainly due to lower revenue from Information & Communications Technology and Travel & Tours divisions, partly mitigated by higher revenue from all other divisions.

Despite the lower revenue, the Group reported a lower loss before tax of RM7.6 million in Q1 2025 compared to a loss before tax of RM30.9 million in Q4 2024. The lower loss was mainly due to the absence of impairment losses recognised in Q4 2024, which included RM12.2 million for property, plant and equipment (“PPE”) relating to the Shanghai hotel, RM2.2 million for right-of-use assets of the Shanghai hotel and RM15.0 million for goodwill associated with the Information & Communications Technology division.

Investment Holding

The division recorded higher revenue of RM7.9 million in Q1 2025 compared to RM1.2 million in Q4 2024 and a profit before tax of RM4.0 million in Q1 2025 compared to a loss before tax of RM12.4 million in Q4 2024. This was mainly due to a dividend income of RM6.8 million received from a subsidiary in Q1 2025, partly offset by lower intercompany management fees charged although both had no impact to the Group’s financial results.

The loss in Q4 2024 was primarily attributable to several non-recurring items including an impairment loss of RM7.7 million on goodwill related to the investment in the Information & Communications Technology division and a fair value loss of RM1.0 million on unquoted venture investments portfolio. These losses were partly mitigated by dividend income of RM1.2 million received from various investment securities.

15. Comparison of results with immediate preceding quarter (Continued)

Information & Communications Technology

The division recorded lower revenue of RM11.9 million in Q1 2025 compared to RM20.7 million in Q4 2024, mainly due to lower revenue from GlobeOSS system sale contracts. Despite the lower revenue, the division reported a lower loss before tax of RM0.9 million in Q1 2025 compared to a loss before tax of RM5.3 million in Q4 2024. The lower loss was mainly due to the absence of impairment losses recognised in Q4 2024 which included an impairment loss of RM7.3 million on goodwill and impairment loss of RM0.4 million on PPE. This was partly offset by a fair value loss on the venture investments portfolio in Q1 2025 as opposed to a fair value gain of RM0.8 million in Q4 2024.

Excluding the impairment and fair value adjustments, the division reported a loss before tax of RM0.8 million in Q1 2025 compared to a profit before tax of RM1.6 million in Q4 2024. This was mainly due to lower revenue, partly mitigated by a higher gross profit margin of 56% in Q1 2025 compared to 53% in Q4 2024. The higher gross profit margin was primarily attributable to a lower contribution from GlobeOSS system sale contracts, which typically yield lower margins.

Property Development & Investment

The division recorded higher revenue of RM10.5 million in Q1 2025 compared to revenue of RM8.4 million in the previous quarter. With the higher revenue, the division reported a lower loss before tax of RM3.7 million compared to loss before tax RM12.2 million in the previous quarter.

<u>Development</u>

The property development unit, ASR, recorded higher revenue of RM4.8 million in Q1 2025 compared to RM1.5 million in Q4 2024, mainly driven by higher terrace house sales in Federal Park Phase 2 which is nearing completion, and a shophouse unit sold in Federal Park Phase 1 whilst in Q4 2024, there was sale of one apartment unit at Synergy Square. The unit reported a nominal loss before tax of RM59,000 in Q1 2025 compared to a loss of RM0.3 million in Q4 2024, mainly attributable to the higher revenue and partly offset by overall higher operating expenses.

<u>Investment</u>

The property investment unit recorded lower revenue of RM5.7 million in Q1 2025 compared to RM6.8 million in Q4 2024 mainly attributable to the lower revenue reported by our hospitality unit of RM3.7 million in Q1 2025 compared to RM4.7 million in Q4 2024 with all hotels reporting lower revenue in the quarter under review. Overall, the hospitality unit recorded both lower average room rates and average occupancy rates in Q1 2025 compared to Q4 2024.

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

15. Comparison of results with immediate preceding quarter (Continued)

Property Development & Investment (Continued)

Investment (Continued)

Despite the lower revenue, the hospitality unit recorded a lower loss before tax of RM2.4 million in Q1 2025 compared to a loss before tax of RM10.7 million in Q4 2024. This was mainly due to the absence of impairment losses recognised in Q4 2024 which included impairment loss of RM11.9 million on PPE and RM2.2 million on the right-of-use asset of the Shanghai hotel. The accounting losses in Q4 2024 were partly offset by a RM2.3 million gain from the disposal of City Villa.

The other property investment unit, YASH, recorded lower revenue of RM1.2 million in Q1 2025 compared to RM1.4 million in Q4 2024, mainly due to a decline in revenue from the F&B business operated by OGSB during the quarter under review. This was partly offset by higher revenue contributions from the serviced office business and Alma Dining, our newly launched F&B business which commenced operations in November 2024. YASH reported a lower loss before tax of RM0.9 million in Q1 2025 compared to RM1.1 million in Q4 2024, primarily due to lower net operating expenses.

Travel & Tours

The division recorded lower revenue of RM34.8 million in Q1 2025 compared to the revenue of RM47.0 million in Q4 2024 mainly due to lower sales from corporate ticketing and series tours during the quarter under review. As a result, the division reported a lower profit before tax of RM1.7 million in Q1 2025 compared to profit before tax of RM2.3 million in Q4 2024.

Financial Services

The Financial Services division recorded higher revenue of RM1.8 million in Q1 2025 compared to RM1.3 million in Q4 2024, mainly driven by increased contributions from the consumer financing and trade financing businesses partly offset by a decline in gross processing volume from its merchants. The bulk of the revenue for the division was generated by the card & payment services unit while the money services unit made minimal contribution. With the higher revenue, the division reported a lower loss of RM1.6 million in Q1 2025 compared to a loss of RM2.1 million in Q4 2024.

Others

The Others division recorded higher revenue of RM5.8 million in Q1 2025 compared to RM5.6 million in Q4 2024. With the higher revenue, the division reported a lower loss before tax of RM0.3 million in Q1 2025 compared to a loss of RM1.1 million in Q4 2024. This was mainly driven by the bus-body fabrication unit which achieved an improved gross profit margin of 29% in Q1 2025, up from 22% in Q4 2024. The education unit also recorded a lower loss before tax in Q1 2025 compared to Q4 2024, primarily attributable to the flow-down effect of higher revenue and lower net operating expenses.

16. Prospects

The Group remains mindful of the external headwinds such as the ongoing inflationary pressures, possible disruptions in supply chain and geopolitics concerns which may adversely impact the global economic recovery and thus the successful execution of our business plans. Our continued focus on managing costs and investment into our businesses to deliver better Group financial performance is critical.

Information & Communications Technology

The outlook of Unifiedcomms and GlobeOSS remains challenging. The continued underperformance of certain major managed service contracts, intensified pricing pressures, and delays in securing new opportunities are expected to affect the business in the current financial year. However, significant steps have been taken since the previous financial year to strengthen the division’s fundamentals.

On the business front, Unifiedcomms and GlobeOSS will continue to progress with contracts in-hand, reinvest in product innovation and market diversification, and focus on enhancing operational efficiencies.

At Captii Ventures, the division’s venture investment business, broader market conditions remain unfavourable, though improvement is foreseen for start-ups in certain industries.

With continued fiscal discipline and initiatives aimed to strengthen the group’s fundamentals, the division enters the current financial year with optimism for the future.

Property Development & Investment

<u>Development</u>

The Property Development Division recorded a significant improvement in performance for Q1 2025, with revenue increasing to RM4.8 million from RM1.5 million in Q4 2024. This increase was in line with expectations for 2025 as the division continued to progress sales from the ongoing Phase 2 Federal Park project which is nearing completion. The project comprises 88 units of double-storey terrace houses and 28 units of single-storey terrace houses. With 49% of units booked to date, the project is expected to be fully sold by year-end.

Meanwhile, the development works of Sejijak Project are now ready for commencement. This project comprises 88 units of double storey terrace houses, 80 units of townhouses and 40 units of single storey terrace houses.

Phase 2 of the Federal Park project is expected to generate a total revenue of RM57.9 million while Sejijak project has an estimated gross development value of RM75 million. With these two new projects generating a total gross development value in excess of RM130 million, the property development unit is set to turn the corner towards profitability for the year 2025 onwards.

16. Prospects (Continued)

Property Development & Investment

Development (Continued)

The property market in Kuching is expected to remain soft due to various issues such as escalated construction costs, labour shortages, interest rates hike and tightening of end financing for buyers. Although the market environment is challenging on many fronts, ASR is confident to navigate through this tough period with its longstanding experience in the property market. ASR will adopt a more cautious approach in new project launches and explore improvement in various areas such as cost effective and attractive new building designs and remain competitive in the market.

Investment

The hospitality unit is hopeful that the gradual recovery in the business with the pent-up demand for travel will continue. Though growth is very much dependant on geographical region of the hotels, the unit remains cautious on the hospitality industry's growth in the coming year due to external pressures such as continuing pressures from rising costs, staff shortage, recessionary risks and geopolitics concerns which may drag down the industry.

Cherating remains a popular destination for local tourists. However, business was slow in Q1 2025 due to adverse weather forecasts by the Malaysian Meteorological Department in January 2025 and the Ramadan period in March 2025. To upgrade its facilities, the hotel is planning to revitalise the pool bar and install a power optimiser to manage its electricity cost. The management is confident to improve the hotel's performance.

Our aparthotel in Earls Court, London, The Marloes, was fully operational from April 2024. The demand for UK hotels may however face some uncertainties due to external headwinds impacting consumer confidence coupled with rising operational costs, staffing shortages and supply chain disruption. However, we are cautiously optimistic that the London hospitality market will be resilient as we can see the swift post-pandemic rebound and influx of international visitors to London.

Although China's economy exhibits signs of post pandemic recovery, our hospitality unit remains cautiously optimistic as it faces a slow rebound in occupancy and average room rates in the Shanghai hotel. In addition, the troubled property sector and lingering geopolitical tensions may derail the recovery of the travel industry when considering the outlook which is anticipated to remain challenging for our Shanghai hotel.

YASH in Kuala Lumpur, a high-quality mixed-use property after undergoing a review and revamp in its operations, now features F&B and an event venues as a destination for music, arts and culinary experiences, complementing its existing serviced office business. With this new business roadmap, the division anticipates income potential from YASH for 2025.

16. Prospects (Continued)

Travel & Tours

Our Travel & Tours division's performance continued to improve in fiscal 2024 and the division remains cautiously optimistic about its performance for 2025 although external factors such as increasing inflation, higher travel costs, and geopolitical concerns may dampen growth in the travel industry. The division's business plan to focus on building its corporate client base for the ticketing, group series tours and company incentive groups business and in exploring to develop more competitive inbound and outbound travel products and services remains.

Financial Services

The division comprises Paydee Sdn Bhd ("Paydee") which is engaged in card & payment services; Paydee Nura Sdn Bhd ("Nura") which is engaged in the provision of solutions for cash flow management for both small and medium-sized enterprises ("SME") and individuals through Shariah-compliant financing; and Qurex Sdn Bhd ("Qurex") which is involved in money services, namely currency exchange and international remittance services.

Paydee will continue to focus on the evolution of its New Payment Application Services ("NPAS"). NPAS aims to deliver innovative business-to-business ("B2B") payment application services to address several high-potential SME business segments, as well as to be the non-bank partner of choice for payment facilitators addressing the growing e-commerce and social commerce markets.

Nura launched its Shariah-compliant financing and SME cashflows management products in Q1 2024 and Q4 2024 respectively, as part of the NPAS offering of the division.

Key areas of focus for both Paydee and Nura include investment in technology renewal and the development of new capabilities and the recruitment of additional staff to further enhance, operate and manage the NPAS as well as efforts to identify and evaluate opportunities for business collaboration.

Qurex intends to synergise with Paydee for its growth plan and pending the full implementation of a new product roadmap, Qurex does not anticipate its existing businesses to grow substantially in the near future.

Others

Our bus-body fabrication unit, Aviva Master Coach Technology Sdn Bhd ("Aviva"), remains focused to ensure its production to be cost efficient and for timely delivery of buses. The unit will continue to focus on the Australia market as it anticipates a strong demand for the buses to Australia and with bus body orders in hand, there is a cautious optimism in the sale of the buses.

The market situation remains challenging with rising costs and continuing disruption to the supply chain. However, Aviva is confident in managing the risks and shall focus in ensuring that its production is cost-and-delivery-efficient and targets to gear up its production of bus-body fabrication to 20 buses per month over the next two years in line with the expected increase in orders from the Australia market. With the various measures put in place, our bus-body fabrication unit is cautiously optimistic that it is in a good position to manage the challenges.

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

16. Prospects (Continued)

Other (Continued)

Our education unit, represented by The Language House ("TLH"), achieved strategic milestones in Q1 2025 through the expansion of its programme portfolio and international footprint. Recent collaborations have opened access to key markets in East Asia, particularly China and Korea.

The unit will launch new online courses and introduce a subscription-based learning model, strengthening its position in digital language education while catering to professional and freelancers seeking flexible high quality training.

By capitalising on digital innovation, global partnerships and corporate demand, our education unit is well-positioned to achieve growth and long-term sustainability in 2025.

17. Board of Directors' opinion on revenue or profit estimate, forecast, projection or internal targets

The Group did not previously announce or disclose any revenue or profit estimate, forecast, projection or internal targets in a public document.

18. Profit variance and shortfall in profit guarantee

Not applicable.

19. Income tax expense

	3 months ended 31.03.2025 RM'000	Year-to-date ended 31.03.2025 RM'000
On current quarter results		
- Corporate income tax	(589)	(589)

The effective income tax rate of the Group for the current quarter and year-to-date ended 31 March 2025 is higher than the statutory tax rate mainly due to certain expenses which are not deductible for taxation purpose and the non-availability of group relief for losses incurred by certain subsidiaries in the Group.

20. Status of corporate proposals

The status of corporate proposals announced but not completed as at the latest practicable date which must not be earlier than 7 days from the date of issue of the quarterly report are summarised below:

(a) On 8 August 2019, the Company announced that Cherating Holiday Villa Berhad ("CHV"), an indirect wholly-owned subsidiary of the Company, had on 8 August 2019 entered into a Sale and Purchase Agreement with Amanah Raya Berhad for CHV to buy back a resort hotel consisting of an administration building, hotel/apartment blocks, standard and individually designed chalets and villas and other ancillary buildings and structures known as Holiday Villa Beach Resort & Spa Cherating, measuring in aggregate area of approximately 42,635 square metres for a buy back price of RM22,965,600 only free from all encumbrances and on an "as is where is" basis ("Proposed CHV Buyback"). Barring any unforeseen circumstances, the Proposed CHV Buyback is expected to be completed in the second half of year 2029.

21. Utilisation of proceeds from disposal of Wisma Synergy

The status of utilisation of proceeds raised from the disposal of a property, Wisma Synergy, by AESBI Power Systems Sdn Bhd, an indirect wholly-owned subsidiary of the Company, as at 31 March 2025 is as follows:

	Proposed Utilisation RM'000	Utilisation to-date RM'000	Balance unutilised RM'000	Intended timeframe for Utilisation from 08.11.2019	Extended timeframe for Utilisation from 31.12.2024
Repayment of borrowings	61,340	61,336 *	-	Within 3 months	-
Working capital of the Group	51,900	51,904 *	-	Within 12 months	Within 12 months
Expenses for the disposal	10,760	10,760	-	Within 3 months	-
	124,000	124,000	-		

* The remaining amount of RM4,000 which was not utilised for repayment of borrowing was utilised for working capital of the Group.

22. Utilisation of proceeds from the Rights Issue

The status of utilisation of proceeds raised from the Rights Issue as at 31 March 2025 is as follows:

	Proposed Utilisation RM'000	Utilisation to-date RM'000	Balance unutilised RM'000	Intended timeframe for Utilisation from 04.11.2022
Investment in existing businesses and/or future business expansion/ new strategic investment	53,200	53,200	-	Within 36 months
Working capital	25,600	25,618 *	-	Within 36 months
Expenses for the Rights Issue	1,200	1,182 *	-	Immediately
	80,000	80,000	-	

* The remaining amount of RM18,000 which was not utilised for expenses in relation to the Rights Issue was utilised for working capital of the Group.

23. Group borrowings

Details of the borrowings by the Group are as follows:

	As at 31.03.2025 RM'000	As at 31.12.2024 RM'000
Short term - secured		
- Term loans	9,131	9,679
- Revolving credit	9,250	10,000
- overdraft	280	-
	18,661	19,679
Long term - secured		
- Term loans	74,273	74,952
	74,273	74,952
Total borrowings	92,934	94,631

24. Financial Instruments

(a) Derivatives

The Group does not have any outstanding derivatives as at the date of this report.

(b) Gain/Loss arising from fair value changes of financial liabilities

There was no gain/loss arising from the fair value changes in financial liabilities for the current financial period.

25. Material litigation

On 29 September 2020, Antara Holiday Villas Sdn Bhd ("Plaintiff") initiated a legal action against Tedulous Travel & Tours Sdn Bhd ("Defendant") for inter alia the infringement of the "La Villa" trademark ("Suit"). On 28 August, the High Court dismissed the Suit and allowed the Defendant's counterclaim with costs and damages (if any) to be further assessed. Pursuant thereto, the Plaintiff have since filed an appeal against the Judgement to the Court of Appeal as well as a stay of execution of the High Court Judgement in the High Court.

On 24 January 2025, the Kuala Lumpur High Court had granted a partial stay of execution of the High Court Judgment wherein it was directed that the order for the expungement of the impugned Trademarks from the Register of Trademarks be stayed pending the full disposal of the appeal in the Court of Appeal.

The case management for the appeal in the Court of Appeal is now fixed on 11 June 2025, whereas the hearing for the assessment of damages("Hearing for assessment") in the Kuala Lumpur High Court has now been fixed on the 21st and 22nd of August 2025.

The Plaintiff will attend to the matters in the Court of Appeal and Hearing for assessment of damages in the High Court accordingly. The Suit is not expected to materially affect the financial position or business of the Group.

26. Notes To The Statement of Comprehensive Income

Included in the profit/(loss) before tax are:

	3 months ended 31.03.2025 RM'000	3 months ended 31.03.2024 RM'000
Amortisation of intangible assets	(199)	(191)
Depreciation	(2,210)	(3,202)
Dividend received	1	27
Fair value change in unquoted investment securities	-	601
Fair value change in quoted investment securities	(101)	(66)
(Impairment loss)/Reversal of impairment loss on:		
- trade and other receivables	3	967
Interest expenses	(1,914)	(2,780)
Interest income	188	823
Net gain on disposal of:		
- quoted investment securities	-	34
Net unrealised gain on foreign exchange	294	955
Gain on disolution of a subsidiary	6	-

27. Dividend

On 9 April 2025 the Company announced a single tier dividend of 0.05 sen per ordinary share for the financial year ended 31 December 2024, subject to shareholders' approval at the forthcoming Annual General Meeting to be held on 26 June 2025.

28. Loss per share

Basic loss per share

The basic loss per share for the current quarter and current year-to-date are computed based on the Group's net loss attributable to equity holders of the Company of RM7,320,000, divided by the weighted average number of ordinary shares of 2,529,194,943 for the current quarter and current year-to-date as follows:

	3 months ended		Year-to-date ended	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	No. of shares		No. of shares	
Issued / weighted average number of ordinary shares	2,529,194,943	2,529,194,943	2,529,194,943	2,529,194,943

	3 months ended		Year-to-date ended	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
Basic loss per share (sen)	(0.29)	(0.31)	(0.29)	(0.31)

Diluted loss per share

The basic and diluted loss per share are reported to be the same for the current quarter, current year-to-date, corresponding quarter last year and corresponding year-to-date last year as the Company has no dilutive potential shares.

	3 months ended		Year-to-date ended	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
Diluted loss per share (sen)	(0.29)	(0.31)	(0.29)	(0.31)

29. Status of E-commerce activities

Not applicable.

BY ORDER OF THE BOARD
ADVANCE SYNERGY BERHAD

K. JAYAVATHANI A/P KANAGARATNAM
Company Secretary
28 May 2025